

Annual Report

2007-2008



**Goldiam
International
Limited**

Goldiam International Limited

BOARD OF DIRECTORS

MANHAR R. BHANSALI	CHAIRMAN & MANAGING DIRECTOR
RASHESH M. BHANSALI	VICE-CHAIRMAN & MANAGING DIRECTOR
AJAY M. KHATLAWALA	DIRECTOR
RAJESH G. KAPADIA	DIRECTOR
DR. R. SRINIVASAN	DIRECTOR

COMPANY SECRETARY & COMPLIANCE OFFICER

RACHANA V. VORA
e-mail: investorrelations@goldiam.com

AUDITORS

PULINDRA PATEL & CO.,
Chartered Accountants

BANKERS

Hongkong & Shanghai Banking Corpn.Ltd
HDFC Bank Ltd
Punjab National Bank
Barclays Bank PLC

REGISTERED OFFICE

Gems & Jewellery Complex,
SEEPZ, Andheri (East),
Mumbai - 400 096

DIAMOND PROCUREMENT OFFICE

2, Prasad Chambers,
Opera House, Mumbai - 400 004

DOMESTIC RETAIL OFFICE

Bldg.A-Kanakia Dynasty,
Andheri-Kurla Road,
Mumbai-400 093.

e-mail: goldiam@vsnl.com
Website: www.goldiam.com

REGISTRARS AND TRANSFER AGENTS

M/s. Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
MUMBAI - 400 078.
Tel No 25963838 Fax: 25962691
e-mail: isrl@intimespectrum.com

BRANCH AT:

202, Daver House,
D.N.Road, Mumbai - 400 001
Tel: 22694127

LISTING

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

DEMAT DETAILS

ISIN: INE025B01017

TWENTY FIRST ANNUAL

GENERAL MEETING will be held on
Friday, 26th September, 2008 at
2.30 p.m. at 'TRIBUNE 1' Banquet Hall,
6th floor, Hotel Tunga International, M.I.D.C.
Central Road, Andheri (East), Mumbai 400 093

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NOTICE

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Members of GOLDIAM INTERNATIONAL LIMITED will be held on Friday, 26th September, 2008 at 2.30 p.m. at 'Tribune 1' Banquet Hall, 6th floor, Hotel Tunga International, M.I.D.C. Central Road, Andheri (East), Mumbai 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account of the Company and the Auditors' Report thereon for the year ended on 31st March, 2008.
2. To appoint a Director in place of Mr. Manhar R. Bhansali who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajesh G. Kapadia who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Pulindra Patel & Company, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
- 7) Members desiring to have any information on the accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
- 8) As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report with them.
- 9) Information u/s 205A read with the Companies Unpaid Dividend (Transfer to General Reserve Account of the Central Government) Rules, 1978 as amended is given below:
 - (i) Pursuant to Section 205 of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31.3.1995 have been transferred to the General Reserve Account of the Central Government. Shareholders, who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, 'EVEREST', 100, Marine Lines, Mumbai by submitting an application in the prescribed form;
 - (ii) Consequent to amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any claims against the Fund. Accordingly, the unpaid dividend amount for the years ended on 31.3.1996, 31.3.1997, 31.3.1998, 31.3.1999 and 31.3.2000 have been transferred to the Fund. The unpaid dividend amount for the year ended on 31.3.2001 will be transferred in September, 2008.

By Order of the Board

Place: Mumbai
Date: 30th June, 2008
Regd. Office:
Gems & Jewellery Complex,
SEEPZ (SEZ), Andheri (E),
Mumbai - 400 096.

RACHANA V. VORA
Company Secretary

NOTES:

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- 2) The instrument appointing proxy should be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- 3) The Register of Members and Share Transfer Books will remain closed from Tuesday, 16th September, 2008 to Friday, 26th September, 2008 (both days inclusive).
- 4) In all correspondence with the Company, members are requested to quote their folio numbers and in case the shares are held in the dematerialised form, they should quote their Client ID number and DP ID number.
- 5) Members, who hold shares in dematerialised form, are requested to inform their Client ID number and DP ID number for easier identification for attendance at the meeting.
- 6) Members are requested to note that if physical documents, viz. Demat Request Forms (DRF) and share certificates, etc. are not received from their

Place: Mumbai
Date: 30th June, 2008
Regd. Office:
Gems & Jewellery Complex,
SEEPZ (SEZ), Andheri (E),
Mumbai - 400 096.

RACHANA V. VORA
Company Secretary

By Order of the Board

Goldiam International Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Twenty First Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2008.

FINANCIAL RESULTS:

(Rupees in Lacs)

	Year ended 31.3.2008	Year ended 31.3.2007
Sales for the year	9411.43	16554.60
Profit before Interest, depreciation & taxation	270.63	2290.89
Less: Interest & Finance charges	36.43	68.60
Operating profit before depreciation & taxation	234.20	2228.29
Less: Depreciation	182.45	184.86
Profit before taxation	51.75	2037.43
Provision for taxation	62.13	610.49
Profit after taxation	(10.38)	1426.94
Add: Balance brought forward	8529.52	7828.50
Profit available for appropriation	8519.14	9255.44

OPERATIONS:

The turnover for the year under report was Rs.9411.43 lacs as compared to Rs.16554.60 lacs for the previous year. The Company has incurred a net loss of Rs.10.38 lacs as compared to net profit of Rs.1426.94 lacs for the previous year which can be attributed to the on-going recession in the global markets, appreciation in the value of the Indian Rupee, as compared to the US Dollar and surge in the input costs i.e. gold and diamonds.

DIVIDEND:

As the Company has incurred a loss of Rs.10.38 lacs, your directors regret their inability to recommend any dividend for the year under report.

ADDITION OF NEW OBJECTS IN THE MAIN OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:

As proposed by the Board of Directors on 25th February, 2008, the members have by postal ballot voting process, the results whereof were declared on 21st April, 2008, approved the addition of a new sub-clause relating to the development of infrastructure, residential, commercial, industrial etc. properties after the existing sub-clauses in the Main Objects of the Memorandum of Association of the Company. The Assistant Registrar of Companies has vide Certificate of Registration of the Special Resolution dated 14th May, 2008 confirmed the alteration of the Objects Clause. The new objects will enable the Company to enlarge the scope of its operations and will be pursued by the Company in due course as and when considered appropriate after examining various business opportunities.

BUY-BACK OF EQUITY SHARES:

As proposed by the Board of Directors on 25th February, 2008, the members have by postal ballot voting process, the results whereof were declared on 21st April, 2008, approved the buy-back of its fully paid-up equity shares of the face value of Rs.10/- each upto a limit not exceeding 5.5% of the paid-up share capital and free reserves of the Company as on 31st March, 2007 i.e. upto a limit of Rs.93,752,317/- (Rupees Nine Crores Thirty Seven Lacs Fifty Two Thousand Three Hundred and Seventeen only) at a maximum price not exceeding Rs.85/- (Rupees Eighty Five only) per equity share from the open market through the Stock Exchanges. The buy-back offer will remain open upto 31st December, 2008.

As on 30th June, 2008, 341,981 equity shares have been bought back in aggregate at an average price of Rs. 46.21, being 16.86 % of the total buy-back offer of Rs. 937.52 lacs and 23% of the maximum equity shares permitted to be bought back i.e. 14,86,804. Further, as on 30th June, 2008, the Company, by executing corporate action, has extinguished 210,249 equity shares in aggregate.

SUBSIDIARY COMPANIES:

The commercial production and exports of the wholly owned subsidiary of the Company, Goldiam Jewellery Limited, have picked up pace and its operations are turning increasingly profitable. The Company's subsidiary in Hong Kong, Goldiam HK Limited, is producing Fashion Jewellery in China, which is being retailed in India through the Company's retail outlets, under the brand name and style of 'Ola'. Ola has carved a niche for itself in the Silver Jewellery segment. As per the provisions of Section 212(1) of the Companies Act, 1956 copies each of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies, viz. M/s. Diagold Designs Limited, M/s. Goldiam Jewels Limited, M/s. Goldiam Jewellery Limited and M/s. Goldiam HK Limited are attached to this Annual Report. Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statement is also attached. The turnover and profits of the subsidiaries are given below:

Subsidiary	Turnover (Rs.)	Profit (Rs.)
1. Diagold Designs Limited	7359.34 lacs	186.68 lacs
2. Goldiam Jewels Limited	1029.33 lacs	(17.46 lacs)
3. Goldiam Jewellery Limited	5506.40 lacs	679.51 lacs
4. Goldiam HK Limited	6389.26 lacs	84.76 lacs

DEMATERIALISATION:

More than 97% of the shares of the Company have now been dematerialized. Your Directors request all the members who have not yet got their holdings dematerialised to do so to enable easy trading of the

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shares, as SEBI has made it compulsory for the shares of the Company to be traded in dematerialised form.

DIRECTORS:

As per the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Manhar R. Bhansali and Mr. Rajesh G. Kapadia, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of annual accounts for the financial year ended 31st March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

AUDITORS:

M/s Pulindra Patel & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, have consented for re-appointment. Your Directors recommend their re-appointment.

REPORT ON CORPORATE GOVERNANCE:

A separate report on Corporate Governance is attached to this report along with Statutory Auditors' certificate on its compliance.

(A) CONSERVATION OF ENERGY, (B) TECHNOLOGY ABSORPTION, (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 the information is furnished herein below:

A. CONSERVATION OF ENERGY:

As the Gems & Jewellery Industry is not covered by the Schedule prescribed by the said Rules, disclosure of particulars on conservation of energy is not applicable to the Company.

B. TECHNOLOGY ABSORPTION:

The particulars regarding absorption of technology are annexed in the prescribed Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's main line of business is the manufacture and export of Studded Gold Jewellery. The Company has achieved Export Turnover of Rs.8942.46 lacs during the current year 2007-2008 as compared to Rs 16433.13 lacs in the previous year, 2006-2007.

Total Foreign Exchange used : Rs.428,273,729/-

Total Foreign Exchange earned : Rs.883,771,854/-

PARTICULARS OF EMPLOYEES:

None of the employees have received remuneration/salary exceeding the limit as stated in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to Government of India, Government of Maharashtra, SEEPZ (SEZ) Authorities and the Bankers to the Company for their valuable support, and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day-to-day management.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 30th June, 2008

MANHAR R. BHANSALI
CHAIRMAN

Goldiam International Limited

ANNEXURES FORMING PART OF THE DIRECTORS' REPORT

ANNEXURE – I

FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R & D), as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Research & Development:

1. Specific areas in which R&D is carried out by the Company

Goldiam has carried out extensive research in gold recovery. With the implementation of better techniques of gold recovery, the percentage of gold recovered is higher and wastage has gone down considerably. The Company has also carried out in-depth research on casting crucibles. With the advent of the new casting crucibles, the life of the crucibles has increased resulting in an increase in the output by almost 300% per casting.

2. Benefits derived as a result of the above R & D

This R & D will enable the Company to reduce the cost of manufacturing Jewellery and thereby increase the revenue and profitability.

3. Future Plans of Action

The Company intends to continue the research in its pursuit for bringing attractively priced, finer quality products to the customers.

4. Expenditure on R & D

R&D is a continuous process and the expenditure is not specifically earmarked for the same and is debited to the general manufacturing expenses:

Capital, Recurring, NIL

Total R & D Expenditure as % to total turnover: N.A

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards absorption, adaptation and innovation:

The Company's subsidiary, Goldiam Jewels Limited, has imported "Tubing Technology" and "Machine Set Technology" for manufacturing Diamond Studded Jewellery.

2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.

The benefit is being reflected in the areas of competitiveness and higher turnover.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- | | |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------|
| a) Technology imported |) YES |
| b) Year of import |) 2006 |
| c) Has Technology been fully absorbed and |) Plant has been installed in 2006 |
| d) if it is not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. |) and has commenced exports |

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MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

Gems and Jewellery is an important emerging sector in the Indian Economy. Ranked among the fastest growing sectors, it is also a leading sector for foreign exchange generation. Worldwide, the Gems and Jewellery Industry has been growing at a good pace and is currently estimated at over US\$ 130 billion. It accounts for nearly 20% of total Indian exports. According to India's Gems and Jewellery Export Promotion Council (GJEPC) the country's gems and jewellery exports during 2007-08 recorded a 22.27% growth, amounting to total exports of US\$ 21 billion as against US\$ 17 billion in 2006-07. India has made its mark in the global arena, progressively becoming the leading gems and jewellery hub.

Opportunities and Threats:

The favourable measures announced for the Gems and Jewellery Industry in the Union Budget 2008-2009 viz. reduction in net profit rate from 8% to 6% for all assessee engaged in diamond manufacturing and trading sector under Benign Assessment Procedure, Import duty exemption on rough Cubic Zirconia and reduction of import duty on cut and polished Cubic Zirconia and rough Coral from 10% to 5%, will boost India's Gems and Jewellery Industry in this competitive global market.

Manufacturing excellence, rich heritage of craftsmanship with high level of skills, creation of exquisite designs and production of high volumes at low cost will facilitate in positioning India as the global destination for all jewellery products.

The evolution in the trends in the consumption of jewellery products are an encouragement for the Jewellery Industry. Increasing purchasing power and dispensable incomes of India's middle class, the Company's focus on emerging markets like Middle East, Thailand, UK, Russia and Japan, will greatly benefit the Company.

Economic slowdown is one of the major threats faced by the Company. Jewellery being a luxury item, recession means less spending by the customers and the resultant decline in the turnover. Also, the strengthening of the Rupee would reduce India's competitive position as diamond and jewellery exporter.

Segment-wise Performance:

As on 31st March, 2008, the Company has two segments viz. jewellery manufacturing and investment activity. The Company has earned a revenue of Rs.9465.88 lacs in the jewellery segment and a revenue of Rs.386.85 lacs in investment activities.

Risks and Concerns:

The nature of the Company's business exposes it to several inherent risks. The Company strives to closely monitor the risks and to mitigate them by adopting suitable, pragmatic strategies.

Bullion Risk:

With gold forming approximately 30% of the cost of the

finished product, the Company is exposed to bullion risk. The Company hedges its position mitigating the risk associated with the volatility in the gold prices.

Currency Risk:

Currency risk arises from exposure to foreign currencies and the volatility associated therewith.

100% of our exports have been transacted in US Dollars. While the Company hedges majority of its receivables, the appreciation in the Rupee has been a risk leading to lowering margins.

Geography Risk:

Dependence on any geographic location makes the Company's business in that region vulnerable to the economic slowdown therein. While USA continues to be our prime export destination, we have, with a view to manage the risks, diversified and tapped the markets in Middle East, Thailand, UK, Russia and Japan.

Outlook:

The outlook for the Company appears bright. With favourable Government policies, the Company expects the export business to grow significantly in the future.

Internal Control and its adequacy:

The Company has an internal control system commensurate with its size and nature of business to ensure efficiency of operations, compliance with internal control policies and applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

Certified by the Internal Auditors and the Statutory Auditors of the Company, the internal control system is also supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and other records.

Material developments in Human Resources/ Industrial Relations:

The Company considers its human resources as amongst its most valuable assets. It has been Company's constant endeavour to impart requisite training and thereby develop and hone the skills and talent of its personnel.

The Company has an extremely low labour turnover and enjoys cordial relationship with its employees.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing Company's objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws, statute and other incidental factors.

Goldiam International Limited

REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to submit their report on the Corporate Governance of the Company for the Financial Year 2007-2008.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

Goldiam benchmarks its Corporate Governance with the prevalent practices and it conforms to the mandatory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS:

This has been carried elsewhere in the report.

BOARD OF DIRECTORS:

Composition and category of Directors as on 31.03.2008

1) Promoter Executive Directors	2	40%
2) Non-executive/Independent Directors	3	60%
	<u>5</u>	<u>100%</u>

The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Attendance of each Director at the Board meetings held during the year ended 31.03.2008 and the last AGM:

Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM YES/NO
Mr. Manhar R. Bhansali	5	5	YES
Mr. Rashesh M. Bhansali	5	5	YES
Mr. Rajesh G. Kapadia	5	5	YES
Mr. Ajay M. Khatlawala	5	5	YES
Dr. R. Srinivasan	5	4	YES

Brief profile of Directors seeking re-election :

Mr. Manhar R. Bhansali, promoter of the Company, entered the diamond business more than 40 years back. He was elected as the Chairman of Gems & Jewellery Export Promotion Council for two successive terms in the years 1984-85 & 1991-92. During his first tenure as Chairman he pioneered the idea of setting up Gems & Jewellery Complex within SEEPZ and also promoted SEEPZ Gems & Jewellery Manufacturers Association and was also elected as the President of the Association. During his second tenure as the Chairman, he was nominated as a Member of the Board of Trade. He was also a member of Dr. Sundaram Committee set up by the Reserve Bank of India (RBI) for looking into the structure of export credit. He was a member of the RBI sub-committee for reviewing the inventory/ receivable norms for the diamond trade. He served as a member of Maharashtra State Export Promotion Council. He is the Chairman of the Company's subsidiaries Diagold Designs Limited, Goldiam Jewels Limited, Goldiam Jewellery Limited and Goldiam HK Limited, besides being a Director of various Private Limited Companies. He is the driving force behind the success of the Company and is the Chairman of the Company since its inception.

Mr. Rajesh G. Kapadia, partner in M/s. G. M. Kapadia & Co., is a practicing Chartered Accountant in Mumbai since 1982. He was the President of the Bombay Chartered Accountants' Society and The Indian Merchants' Chamber and currently is on the Managing Committee of The Indian Merchants' Chamber. He is on the Board of Asianet Satellite Communications Ltd., Bhoruka Power Corporation Ltd., Exide Industries Ltd., H. & R. Johnson (India) Ltd., ING Vysya Life Insurance Co. Ltd., Innovassynth Technologies (India) Ltd., Nilkamal Ltd., Prism Cement Ltd. besides being a Director of Diagold Designs Limited as a nominee Independent Director of the Company and a Director of various Private Limited Companies and Foreign Companies. He is also a Trustee in various Trusts. He is on the Board of the Company since 1994.

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Details of Directors and their directorships in other public limited companies:

Name of Director	No. of Directorships	No. of Committee memberships	
		Chairman	- Member
Mr. Manhar R. Bhansali	4	nil	nil
Mr. Rashesh M. Bhansali	4	nil	nil
Mr. Rajesh G. Kapadia	9	5	3
Mr. Ajay M. Khatlawala	nil	nil	nil
Dr. R. Srinivasan	9	5	5

Other directorships do not include directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

Chairmanship/ membership of committees of Board of Directors include only Audit and Shareholders/ Investors Grievance Committees.

COMMITTEES:

Mr. Rajesh G. Kapadia	Chairman, Audit Committee
Mr. Ajay M. Khatlawala	Chairman, Shareholder/ Investor Grievance Committee and Member, Audit Committee and Share Transfer Committee
Mr. Manhar R. Bhansali	Chairman, Share Transfer Committee and Member, Shareholder/ Investor Grievance Committee
Mr. Rashesh M. Bhansali	Member, Shareholder/ Investor Grievance Committee and Share Transfer Committee
Dr. R. Srinivasan	Member, Audit Committee

BOARD MEETINGS HELD:

Five Board meetings were held during the year; on 29th June, 2007, 30th July, 2007, 31st October, 2007, 28th January, 2008 and 25th February, 2008.

AUDIT COMMITTEE:

The Audit Committee met on 29th June, 2007, 30th July, 2007, 31st October, 2007 and 28th January, 2008. The Audit Committee oversees the general accounting practices and other management policies. The meeting held on 29th June, 2007 reviewed the Annual Accounts of the Company for the financial year 2006-2007 and approved the same. The other three meetings reviewed and approved the results for 1st, 2nd and 3rd quarter respectively.

DETAILS OF REMUNERATION TO THE DIRECTORS IN 2007-08:

(Amt.in Rs.)

Name	Salary	Bonus	Other perks	Commission	Sitting Fees	Total
Mr. Manhar R. Bhansali	nil	nil	nil	nil	nil	nil
Mr. Rashesh M. Bhansali	nil	nil	nil	nil	nil	nil
Mr. Rajesh G. Kapadia	nil	nil	nil	nil	70,000	70,000
Mr. Ajay M. Khatlawala	nil	nil	nil	nil	70,000	70,000
Dr. R. Srinivasan	nil	nil	nil	nil	55,000	55,000

SHARE TRANSFER COMMITTEE / SHAREHOLDER / INVESTOR GRIEVANCE COMMITTEE:

The Board has re-constituted the Share Transfer Committee. Mr. Ajay M. Khatlawala has been co-opted as a member of the Share Transfer Committee with effect from 28th January, 2008. Mr. Manhar R. Bhansali and Mr. Rashesh M. Bhansali, the two Executive Directors of the Company are the other members of the Share Transfer Committee constituted to consider and approve transfer of shares in physical form and other allied matters. The Shareholder/ Investor Grievance Committee has been constituted under the chairmanship of Mr. Ajay M. Khatlawala with Mr. Manhar R. Bhansali and Mr. Rashesh M. Bhansali as members.

Goldiam International Limited

SHAREHOLDER/INVESTOR SERVICE:

Shareholder/ Investor Service is handled by the Company Secretary who provides timely services. There was no case/ complaint unresolved at the end of the year.

NAME & DESIGNATION OF THE COMPLIANCE OFFICER:

Ms. Rachana V. Vora, Company Secretary

GENERAL BODY MEETINGS:

Year	Date& Time	Venue	
2004-2005	26.07.2005 4.00 p.m.	Tunga International, MIDC Central Road, Andheri (East), Mumbai 400 093.	(AGM)
2005-2006	24.02.2006 3.00 p.m.	Tunga International, MIDC Central Road, Andheri (East), Mumbai 400 093	(EGM)
2005-2006	28.07.2006 3.00 p.m.	"VISTA", 30 th Floor, World Trade Centre, Cuffe Parade, Mumbai 400 005.	(AGM)
2006-2007	24.04.2006 4.00 p.m.	Walchand Hirachand Hall, Indian Merchants Chamber Bldg., Churchgate, Mumbai 400 020	(EGM)
2006-2007	05.09.2007 4.00 p.m.	"ORCHID" Room, 2 nd floor, Sunville Banquet & Conference Rooms, 9 Annie Besant Road, Mumbai 400 018	(AGM)

The members have passed the following special resolutions during the past 3 years:

Sr. no.	Date of AGM/ EGM	Particulars of the Special Resolutions passed
1.	AGM - 26.07.2005	Increase in the Authorised Share Capital of the Company from Rs.15,00,00,000/- to Rs.27,00,00,000/- divided into 2,70,00,000 equity shares of Rs.10/- each.
2.	EGM- 24.02.2006	Preferential allotment of 5,50,000 equity shares of Rs.10/- each.
3.	EGM- 24.04.2006	i) Increase in the Authorised Share Capital of the Company from Rs.27,00,00,000/- to Rs.31,00,00,000/- divided into 3,10,00,000 equity shares of Rs.10/- each. ii) Preferential allotment of 32,48,000 Fully Convertible Warrants representing an equal number of equity shares of Rs.10/- each.

During the year under review, the Company has conducted postal ballot for passing as special resolutions the resolutions pertaining to the buy-back of equity shares of the Company and alterations in the objects to be pursued by the Company by inserting a new sub-clause relating to the development of infrastructure, residential, commercial, industrial etc. properties after the existing sub-clauses in the Main Objects of the Memorandum of Association of the Company. Mr. R. N. Shah, Proprietor, M/s. R. N. Shah & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot voting process. The results of the said postal ballot were declared on April 21, 2008. Both the resolutions were passed as special resolutions with 99.99% votes cast in favour of the resolutions.

DISCLOSURES:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts - Schedule 13, Note No. 3, forming part of the Annual Report.

The Company's major related party transactions are generally with its Subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies. All related party transaction are negotiated on arms length basis and are only intended to further the interests of the Company.

MEANS OF COMMUNICATION:

Quarterly, half yearly and annual results have been published in the "Free Press Journal" and "Navshakti". Annual Reports are despatched to all the shareholders. These are also uploaded on the EDIFAR website. The results are made available on the website of the Company, www.goldiam.com. No presentation to institutional investors or analysts was made during the year. Management discussion and Analysis is part of the Annual Report.